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Improvements in National Assistance

Presented to Parliament by the Minister of Pensions and National Insurance
by Command of Her Majesty
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IMPROVEMENTS IN NATIONAL ASSISTANCE

INTRODUCTORY

1. Her Majesty's Government and the National Assistance Board have been considering the position of those on National Assistance and have reached the conclusion that the time has come when it is right to move to a higher standard, so giving them a share in increasing national prosperity.

2. Draft Regulations have therefore been laid before Parliament which provide for increasing the scale rates of National Assistance and for certain other changes relating to the computation of requirements and resources for National Assistance purposes. A memorandum by the National Assistance Board explaining these Regulations is annexed. A Bill is also being presented forthwith to empower the Minister of Pensions and National Insurance to increase by Order the amounts of capital and certain forms of income which the Board are required by Statute to disregard in computing resources.

THE MAIN CHANGES

National Assistance Scale Rates

3. Her Majesty's Government have accepted proposals made by the National Assistance Board, and draft Regulations (The Draft National Assistance (Determination of Need) Amendment Regulations, 1959) have, in accordance with Section 6 of the National Assistance Act, 1948, been made in the form of the draft submitted by the Board and laid for the approval of Parliament. These Regulations propose to increase the scale rates of assistance for a single householder from the present 45s. to 50s. a week, and for a married couple from 76s. to 85s. a week, plus in each case an allowance for rent (including rates), and with appropriate increases in other rates of assistance. The proposals are explained in detail in the annexed Memorandum by the National Assistance Board.

Rent and Assumed Contributions

4. At present, where the recipient of assistance is a householder whose household includes an earning member, the Board ordinarily make an allowance for rent limited by reference to what was advised in 1950 to be the general level of rents in the locality. They also take into account an assumed contribution to general household expenses of 7s. a week in respect of an earning member. It is proposed under the new Regulations to abolish the present flat-rate 7s. contribution to general household expenses, and normally to allow for the full rent; in future recipients of National Assistance sharing their household with earning members will normally receive their proportionate share of the actual rent, while earning members of the household will be assumed to contribute up to their proportionate share of the rent and nothing else.

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Capital and Income Disregards

5. The proposed Bill will give the Minister of Pensions and National Insurance power, by Order, to increase the amounts of capital (other than "war savings") and income at present specified in the Second Schedule to the National Assistance Act, 1948. Any Order so made will be subject to the approval by affirmative resolution of each House of Parliament, except in the case of an Order made within a month of the passing of the Bill, which will be subject to negative resolution only. This exception is to enable the changes which the Government propose in the capital and income disregards to become effective at the same time as the changes in the scale rates of assistance.

6. If Parliament approves these proposals, the Government intend to increase the amount of capital assets (other than "war savings") which the National Assistance Board are required completely to disregard from £50 to £100, and to raise the limit above which assistance may not be paid from £400 to £600. The Government also intend to increase amounts which the Schedule requires the Board to disregard out of certain specified forms of income to 15s. a week where 10s. 6d. a week is at present prescribed (for example, for occupational pension, or Friendly Society or Trades Union sick pay), and to 30s. a week where 20s. is now prescribed (for example, for a war disability or industrial injuries disablement pension).

7. Any Order made under the power which is being sought to increase the amounts of resources disregarded under the National Assistance Act will also make corresponding increases for the purpose of the disregards to be applied in deciding applications for legal aid, in so far as these are governed by the National Assistance Act.

Other Matters

8. The draft Regulations submitted by the National Assistance Board also provide for increases in the amounts to be disregarded out of earnings.

COST

9. It is estimated that the cost in a full year of the proposed increases in the scale rates of National Assistance will be about £27 million; that the changes which the Government propose to make in the amounts of disregarded resources, under the powers which would be given by the Bill, will cost about £2 million in a full year; and that the other changes proposed in the draft Regulations in relation to earnings and rent will cost about £3 million in a full year. The total cost, in a full year, will, therefore, be of the order of £32 million.

DATE OF OPERATION

10. It is intended that all the new provisions should, subject to the approval of Parliament, come into operation on 7th September, 1959.

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EXPLANATORY MEMORANDUM

By the National Assistance Board on the Draft National Assistance (Determination of Need) Amendment Regulations, 1959

1. These draft Regulations amend the Regulations under which the officers of the National Assistance Board determine whether a person is in need of an allowance under Part II of the National Assistance Act, 1948, and, if so, how much should be granted. They have been made by the Minister of Pensions and National Insurance in the terms of a draft submitted by the Board and require the approval of each House of Parliament before they can become operative. Subject to such approval, Regulations will be made in the terms of the draft to come into operation on 7th September, 1959.

2. Regulations 1 and 2 of the draft give the commencing date and contain formal provisions required to give effect to the subsequent Regulations. Regulation 3 makes a change of form explained in paragraph 8 below. Regulations 4 and 5 make changes of substance explained in paragraphs 3 to 8 below and Regulation 6 revokes previous amending Regulations which are superseded.

3. The major changes proposed are those in the scales, that is, in the sums prescribed by the Regulations for requirements other than rent and rates, which are allowed for separately. The scales, which came into operation in 1948, have since then been increased six times and more than fully maintain the value of the original scales of 1948. The Board have now, however, thought it right to propose some raising of standards. The scales at present in force and those now proposed are as follows:—

	Present rates		*New rates*	
Ordinary scale :—	s.	d.	s.	d.
(*a*) For a husband and wife	76	0	85	0
(*b*) For a person who is living alone, or is a householder and, as such, is directly responsible for rent and household necessaries	45	0	50	0
(*c*) For any other person, being—				
(i) aged 21 years or over	41	0	46	0
(ii) aged 18 years or over but less than 21 years ...	31	6	36	0
(iii) aged 16 years or over but less than 18 years ...	26	0	30	0
(iv) aged 11 years or over but less than 16 years ...	20	0	23	0
(v) aged 5 years or over but less than 11 years ...	17	0	19	0
(vi) aged under 5 years	14	6	16	0

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The rates in a special scale applicable to blind persons and persons who have suffered a loss of income in order to undergo treatment for tuberculosis of the respiratory system, will also be increased as follows:—

	Present rates		*New rates*	
Special scale:—	s.	d.	s.	d.
(*a*) For a husband and wife—				
(i) of whom one is such a person	96	0	107	6
(ii) of whom both are such persons	110	0	122	6
(*b*) For any other such person, being—				
(i) aged 21 years or over	65	0	72	6
(ii) aged 18 years or over but less than 21 years ...	48	6	55	0
(iii) aged 16 years or over but less than 18 years ...	40	0	45	0

4. The effect of the proposals regarding scale rates is to increase the ordinary scale rate for a married couple by 9s. and for a single adult by 5s. The increases for other persons including dependent children vary according to age. For example, under the ordinary scale a married couple with three children aged 12, 8 and 3 years paying a rent of 15s. a week could at present expect to have their income, including family allowances, made up to at least £7 2s. 6d. a week. Under the Regulations now put forward they could expect to have their income made up to at least £7 18s. 0d., an increase of 15s. 6d. The corresponding figure under the Regulations of 1948 would have been £4 2s. a week.

5. The special scale for blind and for certain tuberculous persons is being increased by rather more than the ordinary scale: in the special scale rates which apply most often, the excess over the corresponding rates in the ordinary scale, now 20s., will become 22s. 6d. For example, the requirements of a blind man with a sighted wife paying a rent of 15s. a week will be assessed at £6 2s. 6d. a week, compared with £5 if both partners were sighted.

6. Assistance has sometimes to be fixed by reference to considerations which make the scale rates inapplicable or inappropriate and when this is so the applicant's income may be increased by less than the normal amount; thus in the case of persons paying an inclusive charge for board and lodging discretion has to be exercised to grant assistance at a rate which leaves a reasonable amount for other expenses after meeting the inclusive charge.

7. Apart from the changes in the scales, Part 1 of the Schedule to the principal Regulations, which prescribes rules for the computation of requirements, including the allowances to be made for rent, is amended as follows:—

(1) in connection with the change referred to in paragraph 8 (2) below, the reference to "the general level of rents in the locality" in the paragraph about rent allowances in Part 1 of the Schedule is omitted, and

(2) the maximum amount which may be paid under that paragraph by way of rent allowance to a person living as a member of someone else's household is raised from 10s. to 15s.

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8. Regulation 5 substitutes a revised Part II of the Schedule to the principal Regulations which contains rules for computing resources. As a matter of form, the effect of Section 5 (4) of the National Assistance Act, which requires the Regulations to provide for the rules as to disregard laid down in the Second Schedule to the Act to be followed, is now achieved in the body of the Regulations by the amendment to Regulation 2, and the statutory disregards are not repeated in Part II of the Schedule to the Regulations. The remaining provisions of the revised Part II differ from the corresponding provisions of the 1948 Regulations in the following respects:—

(1) Changes are made in the provisions relating to the treatment of earnings by a person receiving assistance, or by a dependant of such a person. A minimum of 30s. a week together with half of the next 20s. of any earnings above that amount is substituted for the sum of 20s. which may at present be disregarded out of the earnings of old people and others not required to register for employment; the sum of 15s. a week is substituted for the 10s. which may at present be disregarded in the case of a person required to register for employment; and the sum of 15s. is substituted for the proportion of one-third of the earnings of a dependant aged under 16, which will have the effect of increasing the amount to be disregarded out of any earnings of a dependent child before they are taken into account against the allowance made for him.

(2) Contributions to household expenses are assumed to be made by non-dependent members of the household of a person (other than a blind person or the husband or wife of a blind person) receiving assistance. At present a sum of 7s. (with abatements for members earning small amounts) is taken into account whatever the rent paid by the householder. This provision is replaced by a provision for an assumed contribution not exceeding a proportionate share of the rent. The allowance made for rent in such cases will then ordinarily be the full amount of the net rent paid by the householder and the fixing of a "reasonable rent" by reference to the general level of rents in the locality will no longer be necessary.

9. The discretionary powers which form an important part of the Regulations will continue to be exercised in any case where special circumstances so require. In the exercise of their general discretionary powers the Board propose, having regard to the increases proposed by the Government in the amounts which the Second Schedule to the National Assistance Act requires to be disregarded from certain forms of income, to increase correspondingly from 10s. 6d. a week to 15s. the amount ordinarily disregarded from certain other forms of income including voluntary allowances from friends or relatives and payments from charities or benevolent associations.

National Assistance Board,
12th June, 1959.

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